

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Parcel Return Service
Parcel Return Service Contract 2

Docket No. MC2011-6

Competitive Product Prices
Parcel Return Service Contract 2 (MC2011-6)
Negotiated Service Agreement

Docket No. CP2011-33

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE REQUEST TO AMEND
PARCEL RETURN SERVICE CONTRACT 2
(April 8, 2013)

INTRODUCTION

The Public Representative hereby provides comments pursuant to Order No. 1685.¹ In that Order, the Commission indicates that comments from interested persons including the undersigned Public Representative are being accepted for the Postal Service Notice to Amend the Parcel Return Service Contract 2.²

BACKGROUND

The Commission approved the original Parcel Return Service Contract 2 in Order 602, dated December 2, 2010.³

Currently, the Postal Service filed notice that it has agreed to an amendment to the existing Parcel Return Contract 2. The Postal Service asserts that the existing Parcel Return Service Contract 2 has a robust cost coverage. Amendment at 1. The

¹ PRC Order No. 1685, Notice and Order Concerning Amendment to Parcel Return Service Contract 2 Negotiated Service Agreement and Request for Supplemental Information, March 29, 2013 (Notice).

² Notice of United States Postal Service of Amendment to Parcel Return Service Contract 2, with Portions Filed Under Seal, March 28, 2013 (Amendment).

³ See *also*, Request of the United States Postal Service to Add Parcel Return Service Contract 2 to the Competitive Product List and Notice of Filing (Under Seal) of Contract and Supporting Data, November 17, 2010 (Request).

Postal Service indicates that the proposed Amendment will be of limited duration and will not have a significant impact on the contract's cost coverage. *Id.* The Postal Service identifies the proposed Amendment's effective date as the day following the date on which the Commission issues all necessary regulatory approvals. *Id.*, Attachment A.

SECTION 3633(a) CRITERIA

For a competitive product pricing schedule not of general applicability, the Postal Service must demonstrate that the contract complies with 39 U.S.C 3633(a). The referenced Section does not allow market dominant products to subsidize competitive products, ensures that each competitive product covers its attributable costs; and ensures that competitive products as a whole cover their costs and provide an appropriate share towards the Postal Service's institutional costs.

COMMENTS

The Public Representative has reviewed the documentation filed by the Postal Service in its existing Parcel Return Service Contract, the Postal Service's Docket No. ACR 2012 library reference regarding Postal Service Negotiated Service Agreements,⁴ and the proposed Amendment. Based upon that review and the limited duration of the Amendment, the Public Representative concludes that the Amendment should cover its attributable costs (39 U.S.C. 3633(a)(2)), should not lead to the subsidization of competitive products by market dominant products (39 U.S.C. 3633(a)(1)), and should have a positive effect on the competitive products' contribution to institutional costs (39 U.S.C. 3633(a)(3)).

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

⁴ Docket No. ACR 2012, Postal Service library reference, USPS-NP12-27, dated December 28, 2012.

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